

Via E-mail, Facsimile,
Certified Mail, Return Receipt Requested
and Federal Express

February 27, 2008

Richard Branca
Bergen Engineering Company
375 Murray Hill Parkway
East Rutherford, NJ 07073

Re: Elizabeth School # 28
Contract No. EL-0012-C02-RB1
Performance Bond No. 929362119
NOTICE AND OPPORTUNITY TO CURE

Dear Mr. Branca:

This letter shall constitute notice by New Jersey Schools Development Authority ("NJSDA") to Bergen Engineering Company. ("Bergen") that NJSDA hereby deems that Bergen has materially breached the above-referenced contract (the "Contract"). Pursuant to Article 10.1.2 of the General Conditions of the Contract, this letter is a formal Notice and Opportunity to Cure ("Notice"). Pursuant to this provision, Bergen is hereby directed to commence correction of the material breaches of its contractual obligations, in the manner set forth below, within fifteen (15) calendar days of the date of this letter.

The Contract required Bergen to achieve Substantial Completion on August 24, 2007. Your latest schedule submission does not set a Substantial Completion date, *per se*, instead showing a projected date for final inspections of August 18, 2008. Therefore, Substantial Completion will occur, at best, at some time after August 18, 2008. Upon submission of Bergen's latest schedule, NJSDA's project management consultant, Bovis Lend Lease LMB, Inc. ("Bovis"), analyzed the submitted schedule and has determined that, under the best of circumstances, Bergen will not likely complete the project until November 10, 2008 – more than fourteen months later than the contractually mandated completion date. In light of Bergen's failure to plan and manage its work in order to complete it on time, and to submit schedules in accordance with the requirements of the Contract, Bergen is in default of its obligations under the Contract. See, Contract General Conditions, §§ 4.1, 4.2, 4.4, 10.1.1(a) and 10.1.1(h); Specification Section 01310, §§ 1.01, 1.02, 3.02, 3.04, 3.07.

Bergen must immediately perform the following tasks in order to cure its default: (i) immediately prepare and submit a Recovery Schedule showing a revised Substantial Completion date of August 1, 2008, which schedule must be resource-loaded showing the number of and trade affiliation of all workmen, by day and activity, and all internal logic, in full conformance with the Contract Schedule Requirements of Specification Section 01310,

§§ 1.01, 1.02, 3.02, 3.04, 3.07; (ii) provide verification that all Bergen subcontractors have participated in the preparation, and have acknowledged the correctness, of the Recovery Schedule; (iii) submit a recovery staffing plan identifying the persons who will be responsible for managing the work on behalf of Bergen to ensure completion by August 1, 2008; and (iv) immediately commence prosecuting the work, including using whatever overtime or premium time work is necessary, at Bergen's cost and expense, to ensure that the project can and will be substantially completed by August 1, 2008.

If Bergen makes the above submissions, NJSDA and Bovis will timely review same for accuracy, completeness and viability. If NJSDA determines that the Recovery Schedule is inadequate, or if Bergen fails to take any of the steps outlined above within fifteen days, the time permitted under the Contract, NJSDA shall declare Bergen in default and issue an Order of Termination for Cause without delay.

Nothing in this Notice shall constitute a waiver or compromise of NJSDA's rights in equity or at law, or under the Contract, including its rights to assess liquidated damages, which rights are expressly reserved.

Very truly yours,

A handwritten signature in black ink, appearing to read "Regina M. Bleck", with a long horizontal flourish extending to the right.

Regina M. Bleck, AIA
Vice President, Project Management

cc: Randy Steinberg, Bergen Engineering Company (via Facsimile & Fedex)
Gary B. Kohan, Attorney in Fact, Continental Casualty Company
(Via Fedex & Certified Mail, Return Receipt Requested)
John Ford, Bovis Lend Lease (via e-mail)
Jim Smith, Bovis Lend Lease (via e-mail)
Scott Wiener
Gerald Murphy
James Adams
Peter Madison
John E. Clark, Esq.
Janesa Urbano, Esq.